



IT Service Management PV203

Vladimír Vágner

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About the lecturer



- Ing. Vladimír Vágner, M.B.A.
- Graduated – Vysoká Škola Báňská, Ostrava 1987
- Career
 - Steel Production Operations manage
 - IT manager
 - AT&T – The Complex Solutions Team Mngr
 - Hewlett-Packard – The European Configuration Center Manager
 - IBM CIC CE - IT Service Management Manager
 - IBM CIC CE – The Solution Manager – Cross Competencies

Contact :

- E-mail : vladimir_vagner@cz.ibm.com
- Cell phone: 733 149 161



Table of the course content

- **Introduction IT Service Management**
- **IT Services Delivery, IT Services Outsourcing**
- **ITIL in Practice***
- **End User Services – Service Desk***
- **IT Service Management & Technology***
- **The workshop/service delivery center site visit**
- **Future of the ITSM**

Lessons marked with asterisk will be delivered by colleagues from IBM CIC Brno



Logistics - start at 18:00, 15' break at 18:45, end ...

Feb	Mar	Apr	May
	6. vv	3. PH	
	13. JS	10. CIC visit	15. vv
	20. JK		22.
27. vv	27.	24. CIC visit	

“Home work”

- individual work
- subject – “ITSM in practice”
- 2 pages max
- the instructions will be announced by March 15th (basic situation description, the required output definition)
- result contributes to the exam completion
- the best work(s) will be rewarded



Exam

Test containing

- a) 15 questions with unique answer options (only 1 is correct)
- b) 5 questions with more than one correct answers possibilities (tick-off boxes)
- c) 3 questions with free form answers
- d) The home work submission is the mandatory part of the exam (the condition of success)

a) + b) + c) - weights 70%

d) - weights 30%



ITSM resources :

Available at the course information on class page at IS MU

- Feel free to interrupt me and ask questions
- Feel free to come and leave at any time



What is it - ITSM? IT Service Management

- Serious topic – no jokes on Google, no funny short movies on YouTube, no Dilbert’s strips.
- “IT Service ... hmm – that handsome guy who fixed the computer and printer in my office last Wednesday?”
- “Tech-support call center somewhere in India.”
- New series of The IT Crowd?
- ✓...ITSM is the strategic approach to managing information technology within the organization and delivering services to customers. You might be completely unaware of the term, yet if you have IT systems in your organizations, then you are nevertheless performing ITSM.
- ✓ Examples of ITSM: resolving incidents or disruptions to get your business back to fully functional, budgeting and carrying through organizational change, monitoring software compliance, or any other technical necessity your business needs. But also hiring professionals, education of staff, security measures deployment, auditing of the standards, ... and much more
- ✓ Sound familiar? We all do ITSM...even some of us not in IT.



What is service?

A service is essentially a means of delivering value to customers. This is done by facilitating outcomes that customers want to achieve without the ownership of specific costs and risks.

What is Service management?

Activities

Service management is a set of specialised organisational capabilities for providing value to customers in the form of services.

Functions

Processes

What is IT Service Management?

Roles

IT Service Management is a general term that describes a strategic approach for designing, delivering, managing and improving the way information technology (IT) is used within an organization. The goal of every IT Service Management framework is to ensure that the right processes, people and technology are in place so that the organization can meet its business goals.



Service management is what enables a service provider to:

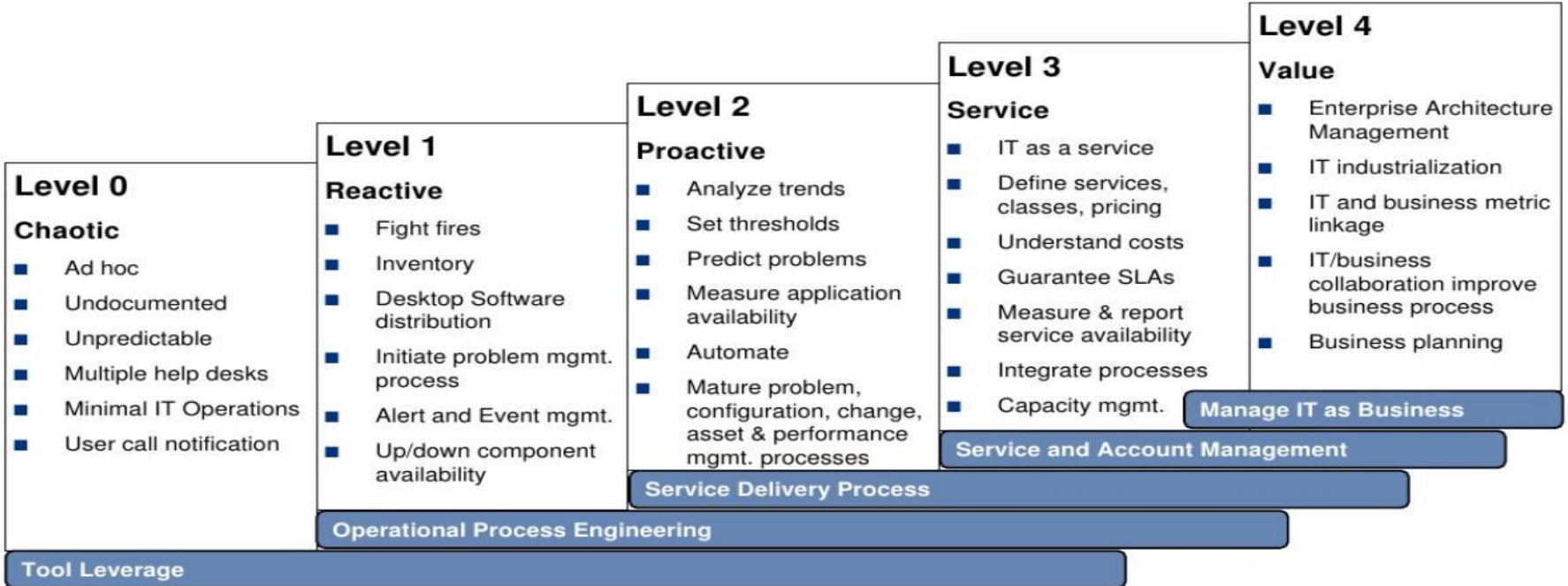
- understand the services that they are providing from both a consumer and provider perspective;
- ensure that the services really do facilitate the outcomes that their customers want to achieve;
- understand the value of those services to their customers and hence their relative importance;
- understand and manage all of the costs and risks associated with providing those services.

IT service management (ITSM) is what you do to manage the services you deliver to your customers



Every organization should have the objective to achieve Level 4 of the process maturity which enables the business highest flexibility and efficiency.

IT Management Process Maturity Model



STRATEGY

Business need

IMPROVEMENT

DESIGN

Requirements definition

Design

Evaluation

Optimisation

Operation

Develop, build and test

Procurement

Deployment

Retirement

TRANSITION



IT Service Management

Objectives

ITSM needs a stable framework to provide continuously high service quality, service and process improvement, and to reduce organizational risks and costs.

Stable framework for ITSM	Standardize and implement ITSM processes	Reduced organizational risks and cost
<ul style="list-style-type: none">■ Codification of basic business requirements for IT service management■ Providing impartial external method of assessment of IT service quality■ Providing clear evidence that ITSM quality is taken seriously■ Assistance to meet legislative compliance requirements■ Internationally recognized assessment	<ul style="list-style-type: none">■ Codified and repeatable support for organizations to assess and improve ITSM process effectively and improvement, and to enforce process compliance■ Ensuring continuous improvement■ Benchmark with best practices■ Requirements to align service management with suppliers and other 3rd party providers	<ul style="list-style-type: none">■ Support to ensure better alignment between business and IT service provisioning■ Promoting consistent and cost effective services■ Reducing costs by effective benchmarking and management of suppliers of IT services■ Commitment that IT services will be delivered in compliance with accepted best practice(s)

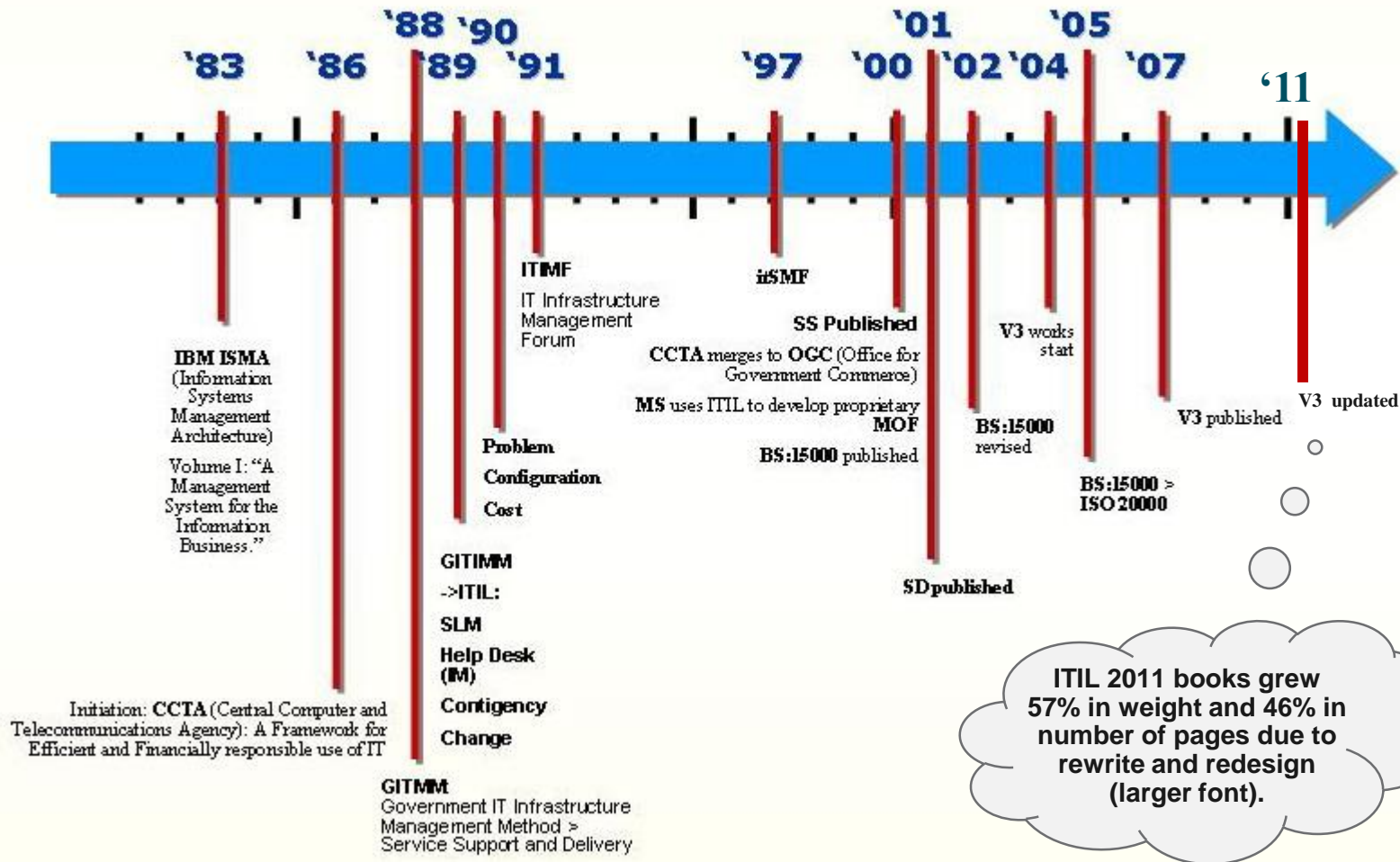


Enterprises operating in dynamic environments need to improve their performance and maintain competitive advantage. Adopting practices in industry-wide use can help to improve capability.

ITIL is not a standard in the formal sense but a framework which is a source of good practice in service management. The standard for IT service management (ITSM) is ISO/IEC 20000, which is aligned with, but not dependent on, ITIL.

The objective of the ITIL service management framework is to provide guidance applicable to all types of organisations that provide IT services to businesses, irrespective of their size, complexity, or whether they are commercial service providers or internal divisions of a business.





ITIL = time x money

time = money, so $ITIL = \text{money}^2$

money = $\sqrt{\text{evil}}$, so $ITIL = (\sqrt{\text{evil}})^2$

Since $(\sqrt{x})^2 = x$,

$ITIL^* = \text{evil}$

* substitute in vendors/consultants/work/world peace

ITSM as management discipline consists of 3 “independent” areas.

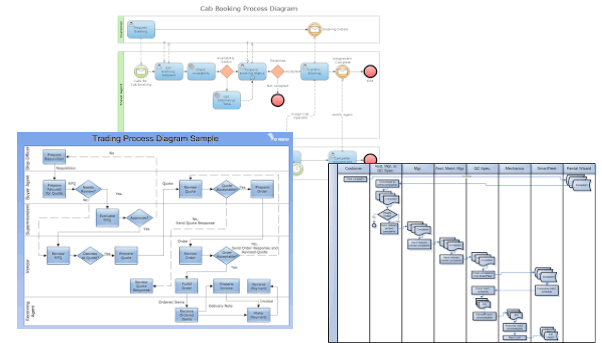
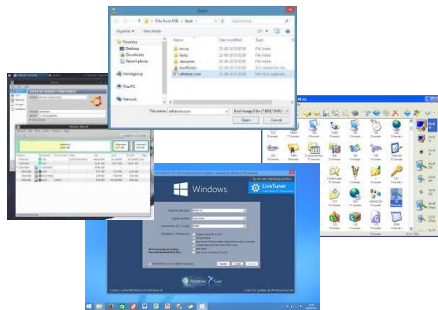


people

**ITSM
framework**

tools

process



One Sentence Summary:

The Difference Between ITIL and ITSM is - ITSM is how you manage the services you deliver to end users, and ITIL teaches you the best practices for ITSM.

Whether services are being provided by an internal unit of the organization or contracted to an external agency, all services should be driven solely by business needs and judged by the value that they provide to the organization.

Insource vs Outsource

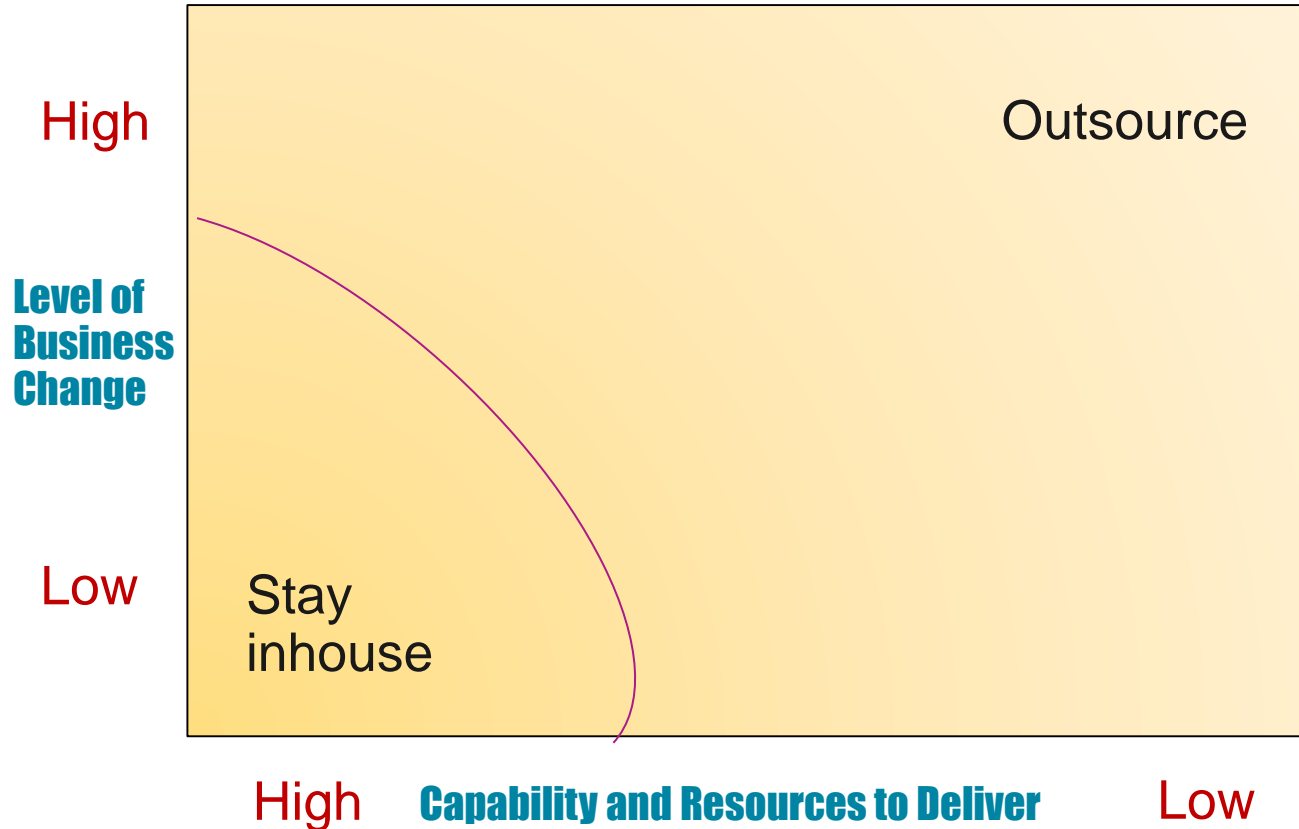


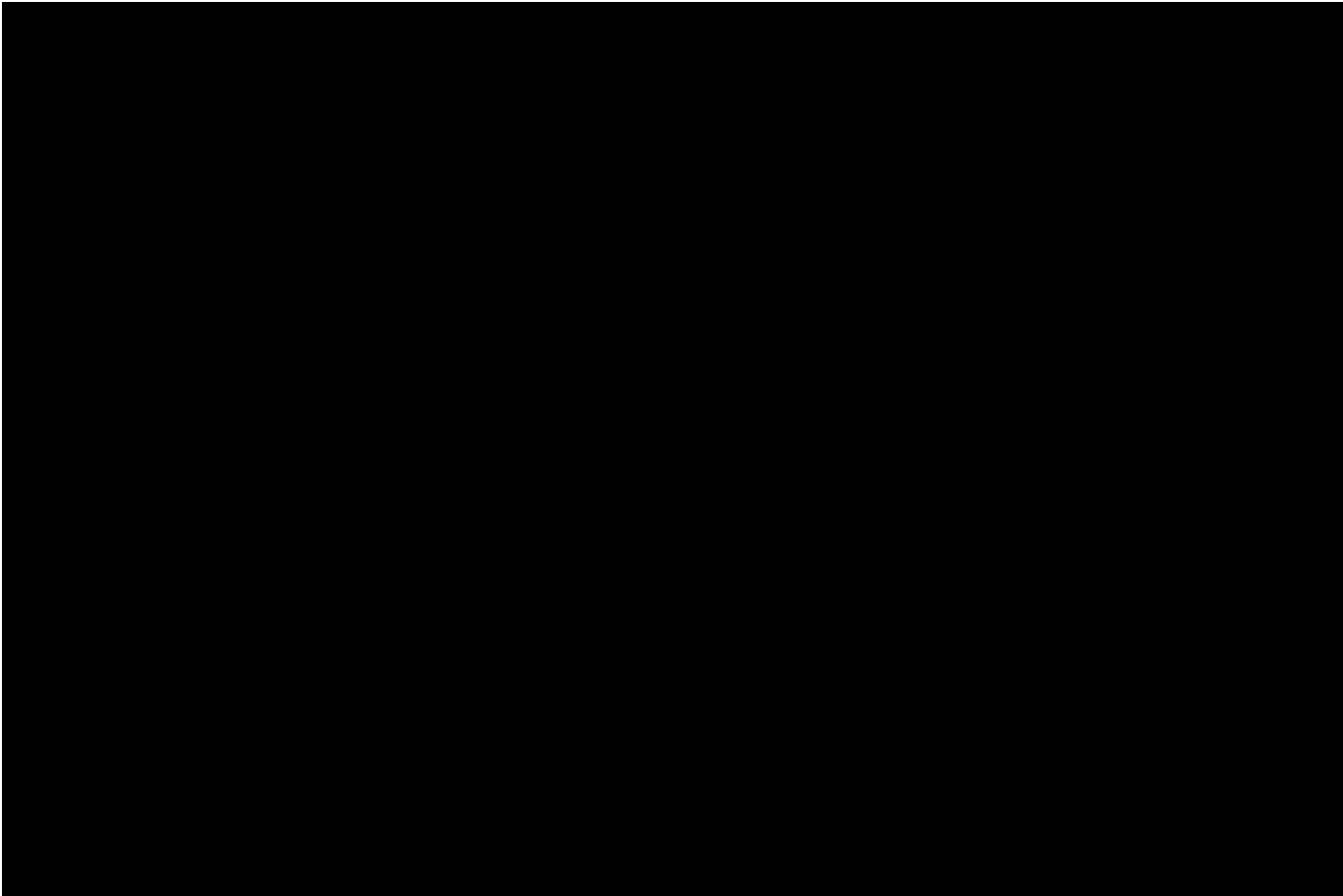
Like asking which one is good...
Apple or Orange?

Each has its own advantages and disadvantages



When should you outsource?





Outsourcing business

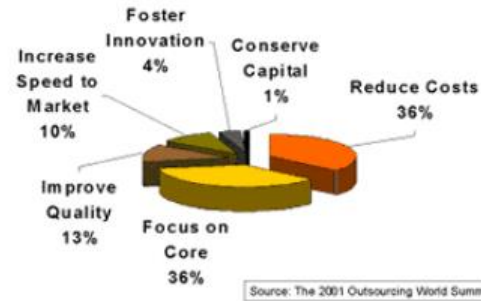
The outsourcing is the process of engaging the services of a provider to manage essential tasks that would otherwise be managed by in-house personnel.



Reason for outsourcing

- Cost saving
- Focus on Core Business
- Access to Skills
- Access to Technology
- Flexibility
- Accountability

Top Reasons for Outsourcing



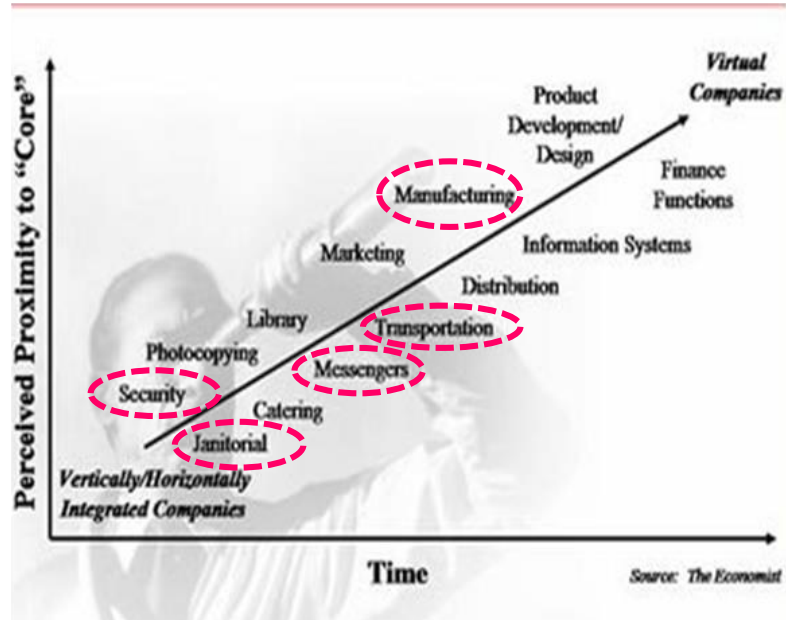
Outsourcing IT



- The concept "outsourcing" came from American Glossary 'outside resourcing' and it dates back to at least 1981.
- The term itself is an artificial construction composed of the words “outside”, “resource” and “using”
- IT/IS Outsourcing is the ITC operations, management and development delegation



Evolution of outsourcing



- **0 – 1982 The proprietary solutions era**
- **1982 – 1999 The standard solutions era**
- **1999 – The outsourcing solutions era**



From approx. 2005, the IT services outsourcing market was beginning to show signs of maturing: growth was flattening and margins were narrowing as new low-cost competitors from India were proving themselves to be nimble and aggressive.

To be continued.....

At the same time, clients looked to traditional vendors like IBM to offer top value, but at competitive prices.



What shall we talk about next?

- IT Services delivery models
 - The basic steps of the Managed Services Model
 - Key levers to drive quality and productivity
-
- The future trends in IT Outsourcing – the final lecture



Questions?

See you in one week

Backup Slides



▪ 0 – 1982 The proprietary solutions era

Characteristics

- Mainframes and terminals
- Data centers to input, collect and store data
- Batch processing, internal applications development

“The Era of Fixed Costs”

- High costs of the application development and maintenance
- High dependence on qualified and deficient labor force
- High availability costs



- The “Old delivery model”
- IT Organization centralized, no global operations => locally outsourced
- EDS early 60s (1962- Collins Radio, 1963 – Frito-Lay) – IT outsourcing “inventor” **Ross Perot**, *the long-term commercial facilities management contract*

Companies would concentrate their energies on what they did best, leaving the computing and data processing tasks to EDS, who could do them more efficiently and economically.



▪ 1982 – 1999 The standard solutions era

Characteristics

- PC and PC Servers
- Standard interactive applications
- Data entered by single users



“The Era of Internal and external cost (variable and fixed costs)”

- High investment to HW a SW
- Low return on investment (ROI)
- High availability and security costs

▪ 1999 – The outsourcing solutions era

Characteristics

- HW independence (shared data centers)
- Standard services introduction
- Distributed infrastructure

“The External costs (variable costs) era”

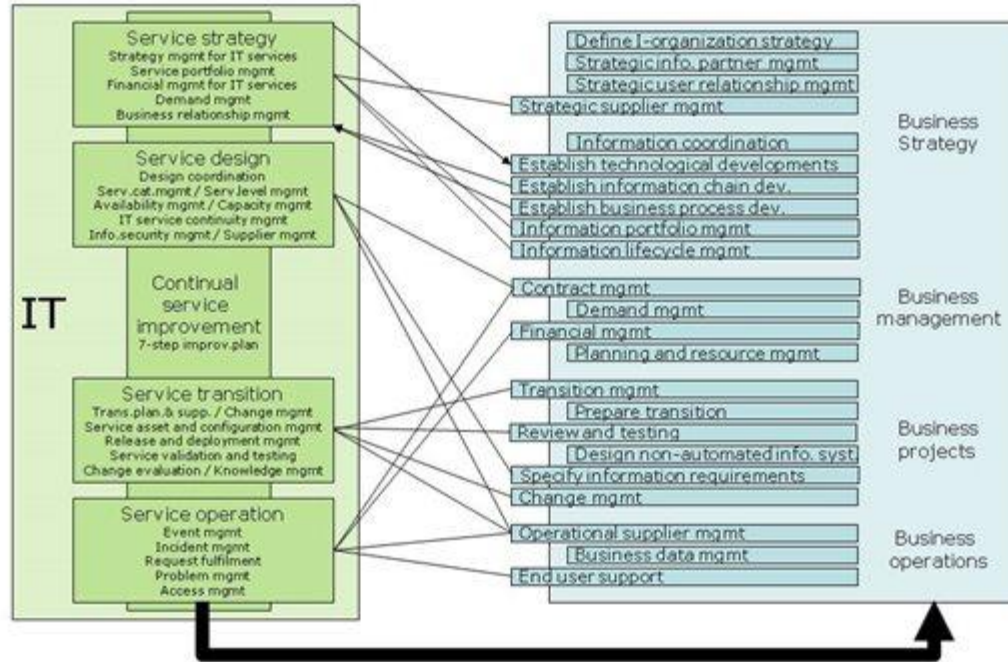
- Variable costs only – pay for “delivery”
- Independence on qualified and deficient labor force
- High availability and security



ITIL for Supply

BiSL for Demand

BISL = Business Information Services Library



BISL is an independent public domain library for the implementation of business information management. The library consists of publications describing the process framework for business information management and a large number of best practices, white papers, articles and presentations. The library is promoted and supported by the ASL BiSL Foundation. <http://aslbisfoundation.org/>

